

VZCZCXYZ0014
RR RUEHWEB

DE RUEHEG #2097 2691055
ZNR UUUUU ZZH
R 251055Z SEP 08
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC 0554
INFO RUCPDO/DEPT OF COMMERCE WASHDC
RUEHGV/USMISSION GENEVA 0400

UNCLAS CAIRO 002097

SENSITIVE

SIPDIS

COMMERCE FOR SAMS AND MASON
STATE FOR EEB

E.O. 12958: N/A
TAGS: [ETRD](#) [ECON](#) [WTRO](#) [EG](#)
SUBJECT: EGYPT REVIEWS TEXTILE LABEL REQUIREMENT

REF: MASON-BUZBEE E-MAIL 9/3/2008

Sensitive but Unclassified, please handle accordingly.

11. (SBU) Econoff met with Walid el-Nozahy, head of the WTO unit at the Ministry of Trade and Industry, on September 25 to raise the concerns of Nike and other U.S. garment exporters regarding GOE decrees 515 of 2003 and 770 of 2005 (ref e-mail). Econoff noted that U.S. exporters believe that the decrees, which require exporters to sew the name of the Egyptian importer into the garments, increase costs, delay their shipments, and may constitute a violation of section 2.2 of the Technical Barriers to Trade Agreement by creating an unnecessary obstacle to trade.

12. (SBU) El-Nozahy said the requirement is targeted at China, not the US, and is intended to protect against fraud. "We are suffering from China," he said. Econoff responded that Nike had proposed a "sticker solution," in which the exporter would attach all the required information in a sticker, rather than sewing it into the garment. El-Nozahy said he would consult with local industry stakeholders and respond in writing after local holidays in early October; meanwhile he noted the USG has the right to challenge the decrees in the WTO if we believe them to be a violation of Egypt's WTO commitments.
SCOBAY